



GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service
United States Department of Agriculture

May 11, 1998

Rains Causing Planting Dilemma. Heavy rains and soggy fields in the Midwest are creating problems for farmers eager to plant their crops and still maintain respectable yields. An Illinois agricultural official stated that, with several more days of rain in the forecast, only 30 percent of the State's corn crop has been planted. Corn requires a long growing season to become fully mature. However, with the current conditions, any use of heavy machinery would compact the soil, making it extremely difficult for the roots to become established. According to a meteorologist for the National Weather Service, Peoria has received 17.89 inches of rainfall, compared to the normal amount of 10.5 inches. To the east, Indiana farmers are facing the same set of circumstances. However, according to a Purdue University agronomist, it has not yet reached the point where farmers will need to switch to soybeans, which are usually planted after corn and require a shorter growing season. This week through May 25 marks the "ideal window" for planting soybeans in the eastern part of the Corn Belt. Corn should ideally be planted by mid-May, so that it has time to develop a sufficient root structure, healthy kernel formation, and good yields. Conversely, corn is being planted ahead of schedule in the western Corn Belt and Plains States, thanks to dry weather. USDA reports that Minnesota has planted over 80 percent of its intended corn crop, which is the most by this date, based on records dating to 1956. Farmers in Iowa, Nebraska, and Colorado were also well ahead of normal. Wisconsin, South Dakota, and eastern Kansas were also ahead of schedule, although to a lesser degree. USDA reports show that, as of May 3, of the 17 selected corn-producing states, 39 percent of the intended acres have been planted. This compares to 46 percent at the same time last year. (*AP, Reuters, USDA*)

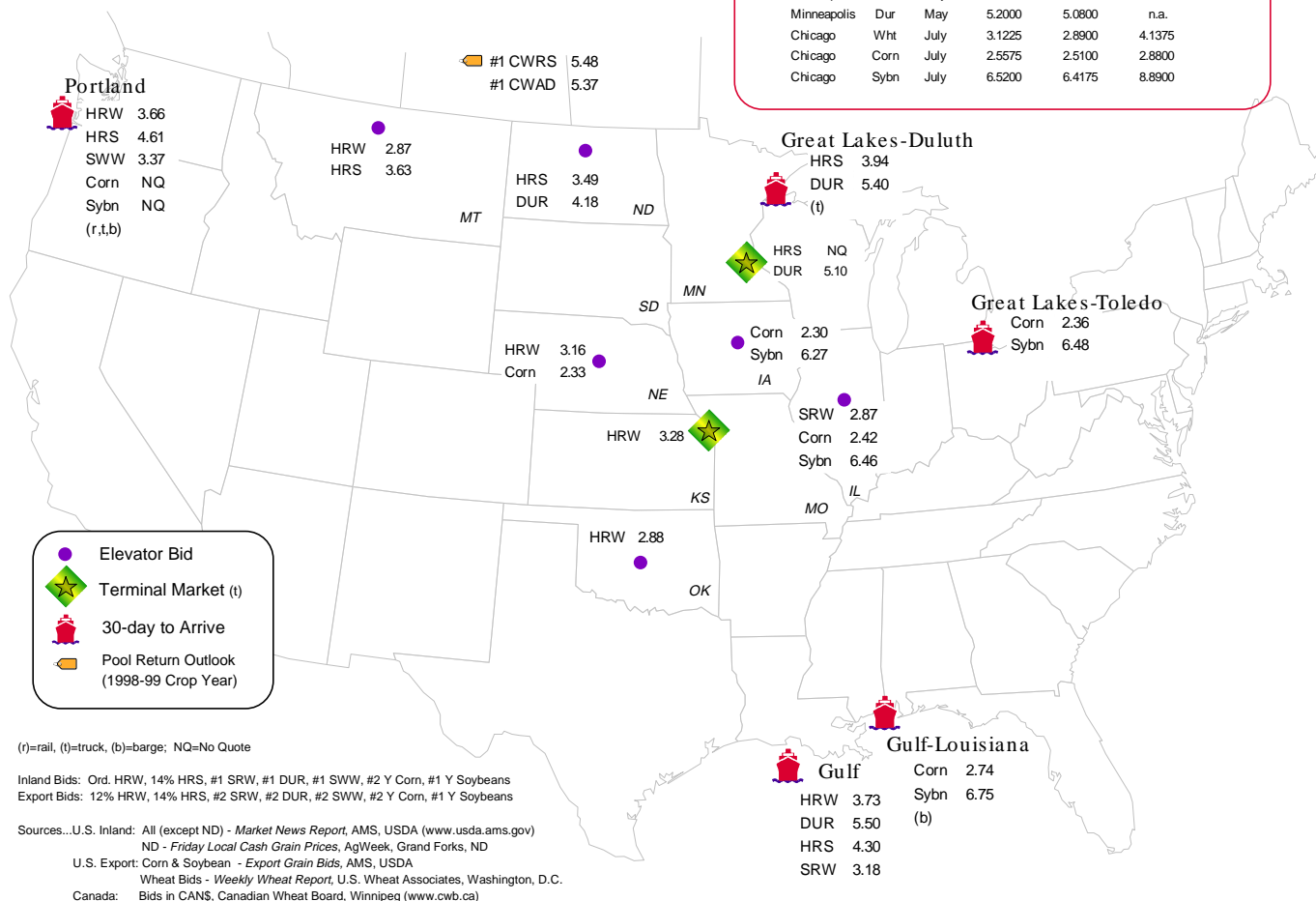
Rails Have Deadline to Shape Up! Rail carriers have less than a year to earn the trust of shippers and prove that mergers can produce better service. Dick Davidson, Chairman of Union Pacific's legal department stated, "The railroad's service is better today." The railroad's latest report on the backup problem shows that the two indicators of congestion, speed and car inventories, are at their best since last summer. But this must be proven to the shippers within the next year. A problem to be looked into is whether railroads are either unwilling or incapable of accommodating shippers. Since more than 90 percent of the rail facilities in the U.S. are served by only one carrier, some shippers believe that Congress should step in and create a more competitive market. If rail carriers and shippers do not come to an accommodation on key service issues by the time Congress convenes in January, some shippers will attempt to force regulatory action that will change the structure of the rail industry. (*Knight-Ridder, Tribune Business News, Journal of Commerce*)

Squeezing Grain Through the Panama Canal. Ships passing through the Panama Canal--a critical link between the Atlantic and Pacific Oceans for U.S. agricultural exports to Asia--would be scraping bottom if not for restrictions on vessel draft. Panama has suffered the driest rainy season in the 83-year history of the canal, with rainfall 35 percent below normal in 1997. Water levels are now too low for large vessels to transit the canal fully loaded. Bulk U.S. agricultural exports traversing the canal (primarily corn, soybeans, wheat, sorghum, and meals) are now being transported in smaller volumes, which normally raises shipping costs. But, primarily because of excess capacity in the global charter vessel market and reduced demand for shipping, ocean freight rates are below year-earlier levels. *USDA/ERS-Agricultural Outlook* (author-Ken Erikson, Agricultural Marketing Service)

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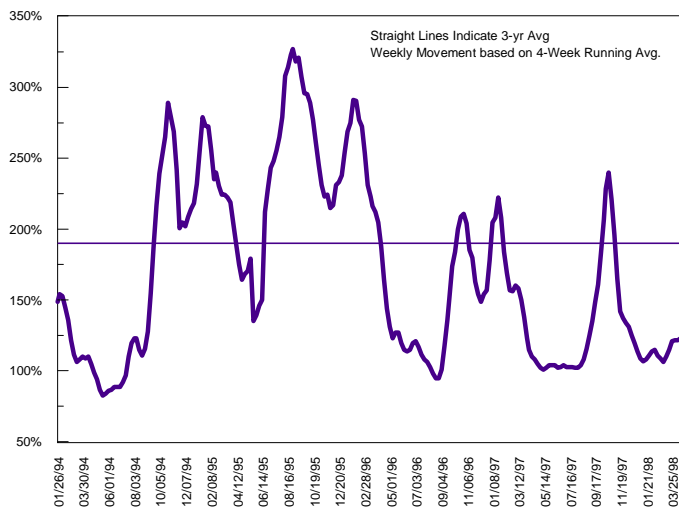
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Grain Bid Summary

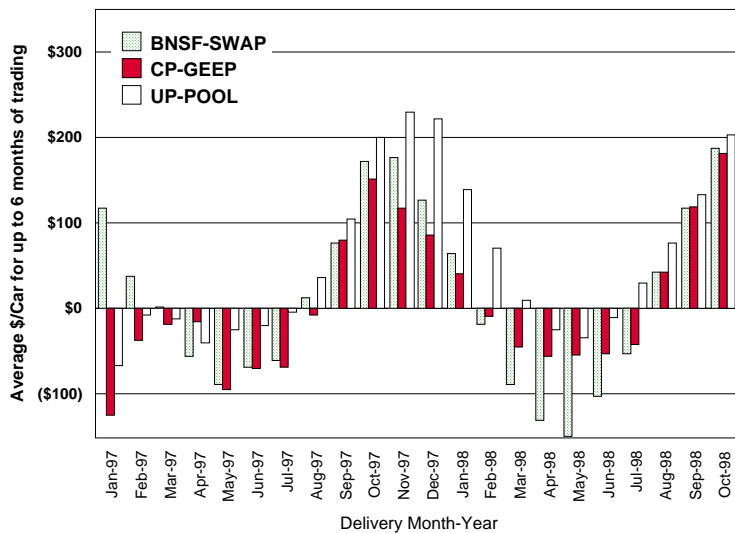


Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



Secondary Rail Market Bids

See the Grain Trax page at www.ugpti.org for more graphs of rail premiums.

Rail Car 'Auction' Offerings				
Delivery for:	Jun-98		August-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
BNSF-COT	21,529	9%	no offer	
UP-GCAS	5,400	76%	5,400	0%
Source: Transportation & Marketing /AMS/USDA; www.bnsf.com; www.uprr.com				

Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	May-98	Jun-98	Jul-98	Aug-98
BNSF-COT	\$(147)	\$(90)	\$(11)	\$71
CP-GEEP	\$(29)	\$(45)	\$(50)	\$50
UP-Pool	\$(33)	\$21	\$68	\$106

Source: T&M/AMS/USDA. Data from Atwood/ConAgra., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;

GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jun-98	Aug-98	Sep-98
COT/N. Wheat	no bid	no offer	no offer
COT/S. Corn	no bid	no offer	no offer
GCAS/Region 2	\$6	\$1	\$1
GCAS/Region 4	no bid	\$116	\$137

Source: T&M/AMS/USDA. Data from www.bnsf.com, www.uprr.com,
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

Southbound Barge Freight Nominal Values*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
5/8/98	Upper Miss.	twk	140-145
	Mid Miss.	twk	120
	Illinois River	twk	110-115
	St. Louis	twk	95-100
	Lower Ohio	twk	95

*Summary Of Daily Barge Trades Reported To St. Louis Merchants Exchange.

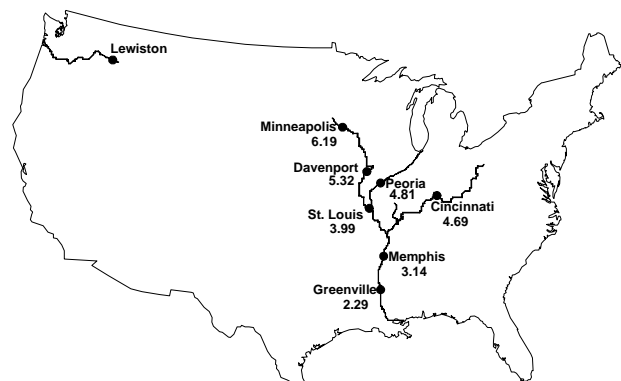
twk=this week

Southbound Barge Freight Spot Rates

	5/7/98	4/30/98	June '98	August '98
Twin Cities	143	148	97	149
Mid-Mississippi	121	123	118	124
Illinois River	114	112	110	116
St. Louis-Cairo	100	98	93	103
Lower Ohio	95	97	103	115
Cairo-Memphis	93	92	92	102

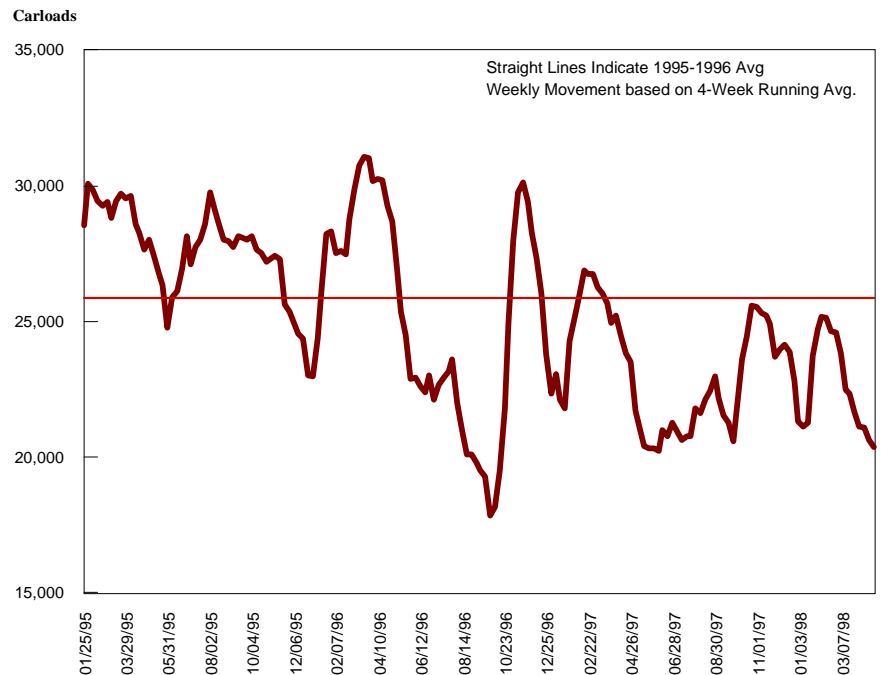
Source: Transportation & Marketing /AMS/USDA
nq- no quote

**Barge Benchmark Tariff Rates
Est. 1976 - 'Tariff No. 7'**



Grain Car Loadings for Class I Railroads

Class I Railroad Grain Car Loadings	
Week Ending:	Carloads
4/18/98	20,803
4/25/98	20,572
5/2/98	20,676
Year to Date - 1998	386,438
Year to Date - 1997	402,256
Total 1997	1,199,995
Total 1996	1,235,123
Source: American Association of Railroads	



Class I Rail Carrier Grain Car Bulletin

Carloads

			<u>East</u>		<u>West</u>			<u>Canada</u>	
	Conrail	CSXT	IC	NS	BNSF	KCS	UP	CN	CP
05/02/98	483	2,364	1,569	2,545	6,709	648	6,358	2,199	4,392
This Week Last Year	575	2,120	1,476	2,115	6,036	683	6,256	3,362	4,671
1998 YTD	12,158	41,846	22,987	44,009	144,489	11,391	109,558	45,352	74,626
1997 YTD	8,419	39,875	27,178	40,592	136,247	10,805	136,360	44,516	71,956
1996 Total	31,733	111,509	48,695	131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612	139,043	410,274	34,393	447,786		

Source: American Association of Railroads

Tariff Rail Rates for Unit Train Shipments

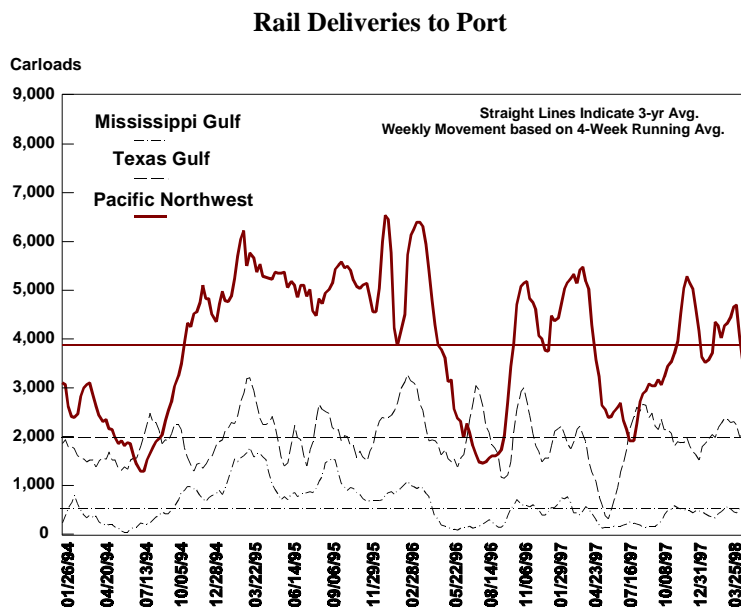
May 1998

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/01/98	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,050	\$18.60	\$0.62
05/01/98	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,027	\$36.54	\$1.21
05/01/98	46540	Wheat	Kansas City, MO	Houston, TX	\$1,350	\$12.25	\$0.41
05/01/98	43586	Wheat	Kansas City, MO	Portland, OR	\$3,812	\$34.59	\$1.14
05/01/98	43581	Wheat	Omaha, NE	Portland, OR	\$3,505	\$31.81	\$1.05
05/01/98	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
05/01/98	33111	Corn	Kansas City, MO	Houston, TX	\$1,450	\$11.57	\$0.41
05/01/98	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
05/01/98	31040	Corn	Omaha, NE	Portland, OR	\$2,485	\$19.83	\$0.70
05/01/98	61180	Soybean	Minneapolis, MN	Portland, OR	\$3,080	\$27.95	\$0.92
05/01/98	61180	Soybean	Omaha, NE	Portland, OR	\$2,780	\$25.23	\$0.83

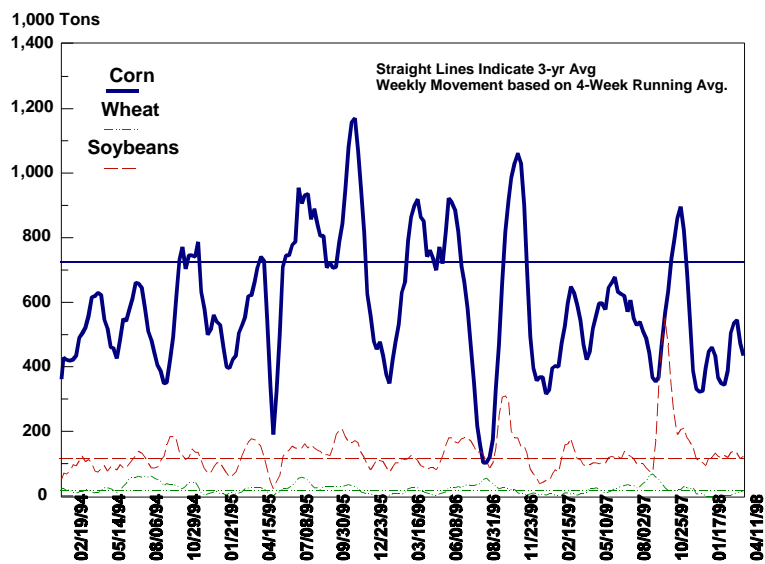
Source: www.bnsf.com

Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
4/15/98	488	1,725	950	218
4/22/98	558	1,471	2,231	327
4/29/98	163	1,293	1,525	78
YTD 1998	7,901	34,393	59,907	5,209
YTD 1997	8,963	30,051	78,644	2,524
Total 1997	20,152	93,265	194,905	9,147
Total 1996	25,899	113,804	199,709	11,304
Source: Transportation & Marketing/AMS/USDA				



Barge Movements - Locks 27



Barge Grain Movements

for week ending 05/2/98

	Corn	Wht	Sybn	Total
1,000 Tons				
Mississippi River				
Rock Island, IL (L15)	237	17	23	278
Winfield, MO (L25)	291	20	74	386
Alton, IL (L26)	446	34	109	590
Granite City, IL (L27)	431	34	132	598
Illinois River (L8)	140	0	30	170
Ohio (L52)	13	4	13	77
Arkansas (L1)	0	48	16	64
1998 YTD	7,964	502	2,868	12,715
1997 YTD	8,908	452	2,535	13,510
Total 1997	29,685	2,689	9,584	45,315
Total 1996	34,210	2,348	8,297	48,963

Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.

Source: U.S. Army Corp of Engineers

U.S. Export Balances* (1,000 Metric Tons)

	<i>HRW</i>	<i>SRW</i>	<i>HRS</i>	<u>Wheat</u> <i>SWW</i>	<i>DUR</i>	<i>All</i>	<u>Corn</u>	<u>Soybean</u>	<u>Total</u>
<u>Unshipped Exports-Crop Year</u>									
04/30/98	1,056	259	1,063	418	184	2,981	5,714	1,613	10,308
This Week Year Ago	1,254	147	812	366	267	2,846	7,844	3,643	14,333
<u>Cumulative Exports-Crop Year</u>									
97/98 YTD	9,056	4,565	5,691	5,210	1,160	25,681	24,599	21,565	71,845
96/97 YTD	7,087	3,596	7,448	5,755	901	24,788	32,497	20,742	78,027
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Foreign Agricultural Service YTD-Year-to-Date (fas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn & Soybeans=9/01-8/31

Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons

	<u>Pacific Region</u>			<u>Mississippi Gulf</u>			<u>Texas Gulf</u>		
	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>	<i>Wheat</i>	<i>Corn</i>	<i>Soybean</i>
05/07/98	60	72	7	84	500	119	67	38	0
1998 YTD **	3,488	2,601	363	2,117	9,322	6,600	2,068	143	481
1997 YTD **	4,219	4,477	816	1,300	10,622	7,378	934	915	402
% of Last Year	83%	58%	45%	163%	88%	89%	221%	16%	119%
1997 Total	11,156	9,728	1,764	6,349	28,183	18,658	5,106	1,001	1,014

Source: Federal Grain Inspection Service *Year Ago-This Week a Year Ago ** YTD-Year-to-Date

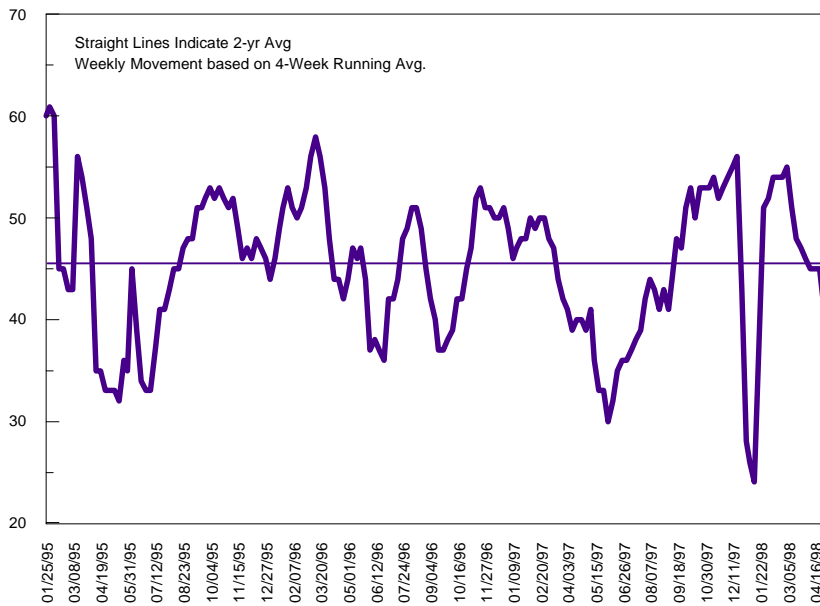
Select Canadian Ports - Export Inspections

1,000 Metric Tons, Crop Year

	<u>Wheat</u>	<u>Durum</u>	<u>Barley</u>
Week Ended: 05/01/98			
Vancouver	5,354	946	934
Prince Rupert	3,344	31	340
Prairie Direct	887	308	362
Thunder Bay	342	273	268
St. Lawrence	3,113	1,618	8
1997 YTD Exports	13,040	3,176	1,912
1996 YTD Exports	10,363	2,903	2,593
% of Last Year	126%	109%	74%

Source: Canadian Grains Commission *Year Ago-This Week a Year Ago ** YTD-Year-to-Date Crop Year 8/1-7/31

Vessels



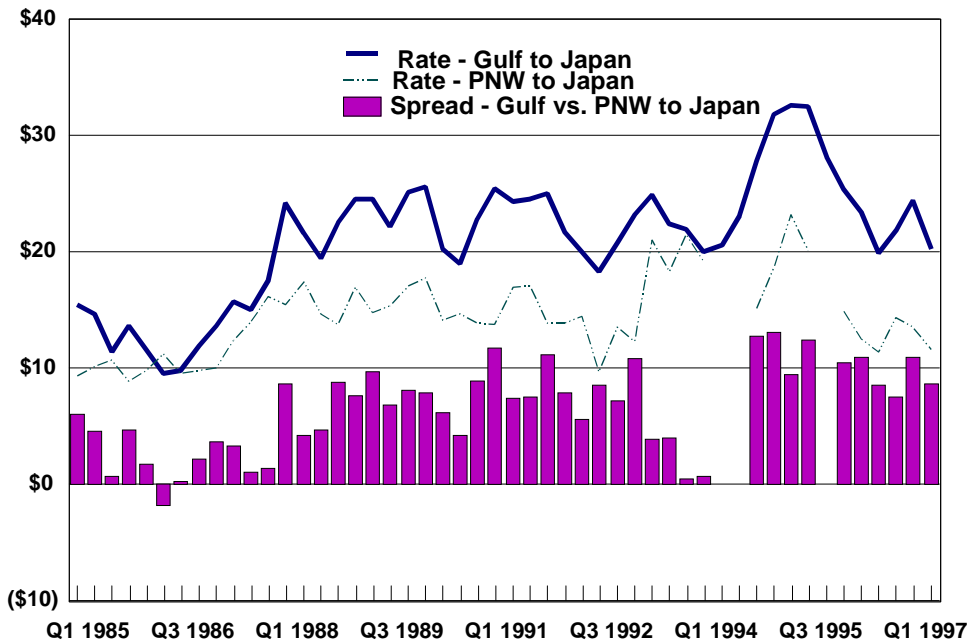
**Gulf Region
Vessels Loaded
- Past 7 Days-**

Port Region Ocean Grain Vessels

	Gulf			Pacific Northwest			Vancouver, B.C.		
	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>	<u>In Port</u>	<u>Loaded 7-Days</u>	<u>Due Next 10-Days</u>
04/30/98	19	37	61	5			10	13	1
05/07/98	24	35	45	7			6	10	1
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						
1995 Avg	31	46	61						

Source: Transportation & Marketing /AMS/ USDA

US\$/Metric Ton



Quarterly Ocean Freight Rates

Quarterly Ocean Freight Rates

Weighted Average Rates & Vessel Size, U.S. Dollars/Metric Ton - Basis

	1997 4 th Qtr	1996 4 th Qtr	% Change		1997 4 th Qtr	1996 4 th Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$22.01	\$22.64	-3%	Japan	\$13.34	\$14.66	-9%
Mexico	\$13.97	\$14.96	-7%	Red Sea/ Arabian Sea	\$20.18	\$22.74	-11%
Venezuela	\$13.59	\$12.62	8%				
N. Europe	\$11.34	\$13.28	-15%	Argentina to			
N. Africa	\$14.80	\$15.87	-7%	N. Europe	\$16.12	\$18.15	-11%
				Japan	\$23.23	\$30.37	14%

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate (\$/Ton)
Tampa	Europe	Grains	May	20,000	\$12.00-12.10
Gulf	Vera Cruz	Heavy Grains	May	23,000-25,000	\$8.75
Gulf	Rotterdam	Grains	May	38,000	\$11.00
Gulf	Holland/Denmark	Heavy Grains	May	43,000	\$9.75
Gulf	Sri Lanka	Wheat	May	20,060-52,360	\$27.71-51.57 (metric ton)
Gulf	Japan	Heavy Grains	May	38,000	\$17.75-18.00
PNW	Japan	Heavy Grains	May	54,000	\$10.75
River Plate (Argentina)	Denmark	Meals/Pellets	May	30,000	\$16.50
River Plate (Argentina)	Malaysia	Meals	May	30,000	\$24.00

Source: Maritime Research Inc.